Video transcript: “Estate Planning in a Volatile Market”

Video source: YouTube

Note: Upbeat music begins to play.

On screen: Regions logo appears

On screen: Wyeth Greene appears

[Voice-over]

A Roth Conversion can be very strategic during drops in the market because the asset values are lower. So, the ordinary income taxes due during a Roth conversion are going to be lower as well, with the hope that those assets will long-term continue to increase.

Things to think about for a Roth conversion are:

What is the client's time horizon? Is there time to catch up if they pay a tax today as their assets continue to grow tax-free in the future. Or beneficiaries or heirs that they are wanting to pass assets to. If there are heirs that they want to pass assets to tax-free, then that can also be another reason to consider it.

Another thing to consider is the assets outside of the conversion assets to help cover the tax for making the Roth conversion. That's another really important one. We want clients to have assets outside of that conversion to cover that tax.

Gifting

Gifting today will not only remove a certain asset out of a client's estate, but any appreciation moving forward will also be removed from the estate for estate tax purposes.

Gifting during depressed markets, or lower market asset values today, is also strategic because you're using less of your lifetime gift tax exclusion today by making gifts of a lower asset values again with the hope that that asset will continue to increase long term.

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